ABN 95 009 162 949

HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2021

CONTENTS

Corporate Directory	1
Directors' Report	2
Statement of Profit or Loss and Other Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Notes to the Financial Statements	13
Directors' Declaration	20
Auditor's Independence Declaration	21
Independent Auditor's Review Report	22

DIRECTORS

Mr Martin Buckingham	Executive Chairman
Mr William Oliver	Non-Executive Director
Mr Michael Hulmes	Non-Executive Director (appointed 9 November 2021)
Mr Robert Gregory	Managing Director (appointed 1 January 2022)
Mr Julito Sarmiento	Non-Executive Director (appointed 9 November 2021)
Mr Jonathan Colvile	Non-Executive Director (appointed 19 January 2022)
Ms Attilenore Austria	Non-Executive Director (resigned 30 September 2021)
Mr Blair Sergeant	Executive Director - Corporate (resigned 15 December 2021)

COMPANY SECRETARY

Ms Melanie Ross

REGISTERED OFFICE & CONTACTS

Level 2
22 Mount Street
PERTH WA 6000
Ph: +61 8 6188 8181
Fax: +61 8 6188 8182
Web: www.celsiusresources.com.au
Email: info@celsiusresources.com.au
Stock Exchange Listing - ASX Code: CLA

SHARE REGISTRY

Automic Registry Services
Level 5
191 St Georges Terrace
PERTH WA 6000
Telephone: +61 8 9324 2099

SOLICITORS

Steinepreis Paganin
Level 4
The Read Buildings
16 Milligan Street
PERTH WA 6000
Ph: +61 8 9321 4000
Fax: +61 8 9321 4333

AUDITORS

RSM Australia Partners
Level 32 Exchange Tower
2 The Esplanade
PERTH WA 6000
Ph: +61 8 9261 9100
Fax: +61 8 9261 9111

Your Directors present their report together with the half-year financial report on the consolidated entity, consisting of Celsius Resources Limited and the entities it controlled at the end of, or during the half-year ended 31 December 2021.

DIRECTORS

The Directors in office at the date of this report and at any time during the half-year are as follows:

Mr Martin Buckingham	Executive Chairman
Mr William Oliver	Non-Executive Director
Mr Michael Hulmes	Non-Executive Director (appointed on 9 November 2021)
Mr Robert Gregory	Managing Director (appointed on 1 January 2022)
Mr Julito Sarmiento	Non-Executive Director (appointed 9 November 2021)
Mr Jonathan Colvile	Non-Executive Director (appointed 19 January 2022)
Ms Attilenore Austria	Non-Executive Director (resigned 30 September 2021)
Mr Blair Sergeant	Executive Director- Corporate (resigned 15 December 2021)

PRINCIPAL ACTIVITIES

During the half-year, the principal activities of the consolidated entity consisted of mineral exploration in Australia, Namibia and the Philippines.

There were no significant changes in the nature of the activities of the consolidated entity during the half-year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the consolidated entity during the half-year.

REVIEW OF OPERATIONS

Corporate

The consolidated net loss of the consolidated entity after income tax for the half-year ended 31 December 2021 amounted to $3,139,084 (31 December 2020: $639,491).

Performance Rights

During the period, 17,650,000 performance rights were issued to Management and 7,500,000 performance rights were issued to Mr. Blair Sergeant (Executive Director – Corporate). On 1 December 2021, the consolidated entity announced the completion of a positive Scoping Study on the MCB Project, being the achievement of Milestone 1 vesting condition. On 3 December 2021, 6,750,000 fully paid ordinary shares were issued on conversion of performance rights. On 15 December 2021, 5,000,000 performance rights lapsed due to the resignation of Mr. Blair Sergeant as Executive Director – Corporate.

Maalinao-Caigutan-Biyog Copper Gold Project, Philippines (Celsius - 100%)

Makilala Mining Company, Inc. ("MMCI"), a wholly owned Philippine subsidiary of Celsius in the Philippines, has gained headway in the implementation of its Exploration, Environment, and Community Development Programs for the Maalinao-Caigutan-Biyog ("MCB") Copper-Gold Project in the Cordillera Administrative Region, despite the ongoing challenges of the COVID-19 pandemic.

Exploration Work

Drilling Program

Two drill holes were completed for the period. MCB-034 and MCB-036, with final drilling depths of 684.40m and 860.20m, and average core recoveries at 94% and 97%, respectively. Shallow core mineralisation was identified at MCB-036 from 19m down hole, extending down to 691m with several higher-grade intervals intersected, including a well-defined high-grade core which is above a cut-off grade of approximately 0.5% copper.

The holes were fitted with Vibrating Wire Piezometers with initial results collected to support the hydrogeological study. Geologic logging, point load testing, and assay sampling of cores from MCB-034 and MCB-036 were also completed and carried out in accordance with the Company's procedures and in compliance with JORC standards. A total of 215 core samples from MCB-034 and 426 samples from MCB-036 were collected and sent to Intertek laboratory for multi-element assaying. Core samples for Metallurgical Testing (communition, flotation, and crushing test work) were collected, vacuum-sealed, and dispatched to Perth, Australia.

A new drilling contractor, DrillCorp Philippines, was engaged for the continuation of drilling operations of five diamond drill holes, eight geotechnical drill holes, and hydrogeological test work.

Scoping Study

The Scoping Study for the MCB Project was completed in October 2021 with favorable results, the study outcome indicated the technical and financial viability to advance the project into a Pre-Feasibility Study phase, along with other work programs.

The study results have been presented to key stakeholders—the Balatoc Council of Elders, government officials of the Barangay and Municipal Local Government, National Council of Indigenous Peoples and Regional Mines and Geosciences Bureau--to seek endorsements to support the application for a Declaration of Mine Project Feasibility and Mine Production Sharing Agreement in support of the project proceeding through the various government approval phases.

Future Works

Future technical works and field investigations are being carried out in 2022 to provide further information for the engineering of the underground mine and surface infrastructure plans which will provide the basis of the Pre-feasibility study. These include further conformation resource drilling, LiDAR Survey and Aerial Photogrammetry, geotechnical and hydrogeological studies, among others.

Community Development

Human Resource Development and Institutional Building

Initiatives to help strengthen local institutions such as the Council of Elders and the Barangay Council (COE-BC) have proven to be effective. Through regular meetings, the COE-BC has managed to solve project-related community concerns amongst themselves using their own conflict resolution/justice system. A sense of ownership has been cultivated among the COE-BC members as evident in their efforts to take responsibility in addressing land conflicts in communal infrastructure projects or dealing with erring community members.

Given the limited resources of local governments, three desktop computers and as a projector were provided, upon the request of the Municipal Government Office, which has significantly enhanced their productivity in data management and improved their capacity to deliver services to their constituents.

Infrastructure Development and Support Services

Several community infrastructure projects are in the pipeline and in various stages of implementation. Planning and design for the construction of a footbridge has been completed, construction will commence once the landowners have donated the land where the bridge will be located.

Technical plans, landowner consent, and procurement of materials for the potable water system have been completed. Construction is targeted to commence by the first quarter of 2022. Building materials and furniture have also been provided to improve Church facilities. This was seen by the community as a way to increase Church attendance and thereby help promote peace and order in the Community.

Access to Education and Educational Support Program

A Multi-Purpose Room was constructed in preparation for the anticipated face-to-face learning for the next school year. The completion of the project justifies the assignment of a Senior High School Teacher for the incoming Grade 12 students, thus reducing travel and boarding cost to attend school in the next town or city which is some three hours away.

The Company has also continued to extend internet access and workspace for local teachers and students to do their research, participate in online regional competitions, attend online lectures. This has been a great assistance to the far-flung Balatoc community, that have no cell site or internet access to support their teaching-learning advancement.

Access to Health and Health Services

Local transmissions of COVID-19 cases peaked in the months of September and October which placed the community at a vulnerable situation given the distance to the nearest medical testing facilities, the limited medical supplies, and the capacity of health personnel.

Additional antigen test kits, personal protective equipment and medical supplies were provided to help the Barangay and Municipal Health Offices in attending to the needs of the locals amidst the dwindling resources. MMCI's Community Relations Officer also acted as a conduit between the local health offices and the community to help inform, educate, and communicate on the health status and updates in the community at the height of the pandemic.

The partnership between the local government and MMCI has been formalized in a Memorandum of Agreement to share expertise and resources in implementing plans and programs aimed at building capacities for the implementation of health, safety, and disaster response initiatives.

Protection and Respect for Socio-Cultural Values

A strong sense of community is inherent among the Balatoc Tribe which is manifested in times of celebrations and in difficult times (sickness or death). It is customary for each community member take part in raising the required funds to support an activity or event. A ritual is also conducted at the start of every activity such as acquisition of new properties, building of new structures, or start of an important event. As a partner in development, MMCI has extended financial support in observance of such traditions and participated in the process.

Environment

Progressive site rehabilitation for completed drill holes (MCB-033, MCB-034, and MCB-036) has been carried out.

Temporary structures were removed, all excavations were backfilled with bagged topsoils, disturbed areas were revegetated with regional species and vegetables. A tree planting activity was also organized in September along the trails and areas prone to landslides as part of the rehabilitation efforts.

Another tree planting activity was also organized in support of the National Greening Program. Three hundred pine seedlings were planted at the adopted site as the Company's contribution to the reforestation and climate change mitigation efforts of the government. The activity, which was participated in by MMCI employees and community members, included a hands-on training on transplanting techniques and seedling care and management as an IEC campaign to inculcate the importance of environmental protection and instill a responsibility in taking care of the environment.

Completion of Baseline Studies

Social, Pedology, Noise, Aquatic, Terrestrial Flora and Fauna Studies were completed while the Climatology study is expected to be completed by the first quarter of 2022. Data from these studies will form the basis of the Environmental Impact Assessment**.**

Regulatory Compliance

The Company has submitted and complied with all the regulatory reportorial requirements on schedule with no penalties incurred from the Mines and Geosciences Bureau and zero accidents/incidents for the year**.**

Cullarin West Project, Australia (Celsius – 100%)

As previously announced, a desktop review of publicly available geological and geophysical information has identified numerous targets at the Cullarin West and Yass Projects (refer ASX Announcements 8 July 2020 and 30 July 2020).

The Company is reviewing options to divest or partner the project.

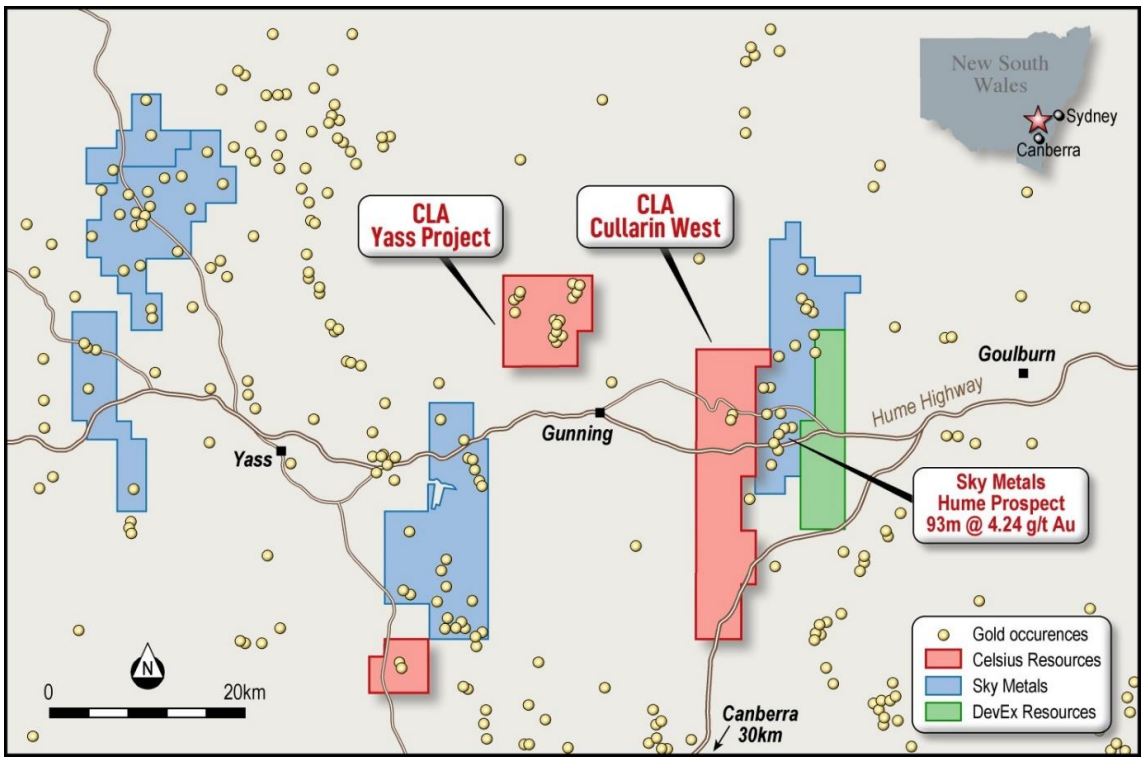

Figure 1: Location map of Cullarin West Project and Sky Metals' Cullarin discovery.

Opuwo Cobalt Project, Namibia (Celsius – 95%)

During the half year, the Company continued to notice the upswing in Cobalt prices during 2021. This is driving the renewed focus to advance the project. Two ongoing mineralogy studies with the University of Leoben (Austria) have shown that cobalt has a strong association with the zinc sphalerite minerals rather than the previous thought copper / iron minerals. This would explain the previous poor floatation results where the zinc was suppressed. The poor concentrator recoveries meant the high pressure autoclave refining stage was uneconomic due to high gangue minerals. It is now thought that focussing on a zinc flotation with roasting in conjunction with, or hydrometallurgical refining would achieve an economic outcome. The Company now plans to obtain fresh metallurgical samples by diamond drill core and undertake a new metallurgical test program.

The Company is entertaining approaches from various parties interested to partner the ongoing test work process ranging from JV to outright sale.

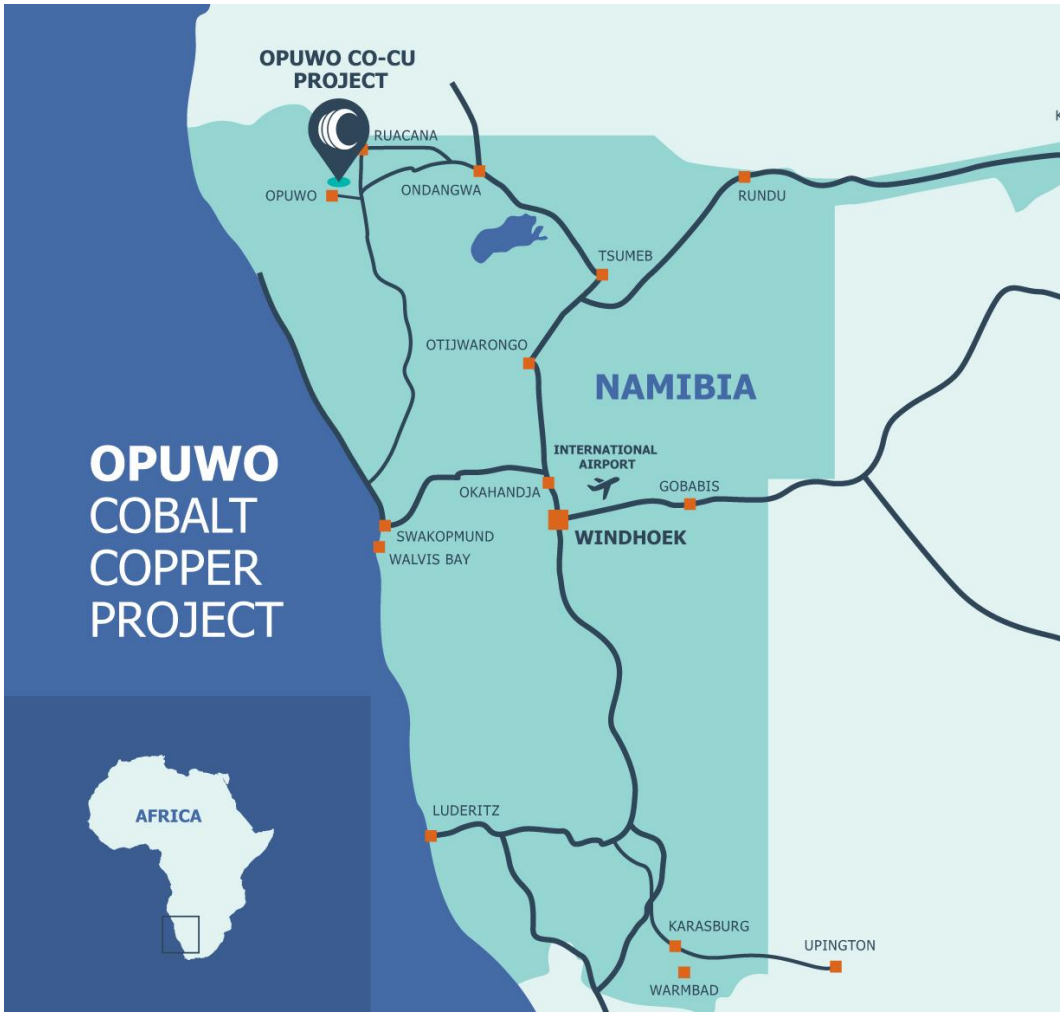

Figure 2: Location map of the Opuwo Cobalt-Copper Project

Abednegno Hill Project, Australia (100%)

The Abednegno Hill Nickel Project is located to the south and west of Minara Resources' Murrin nickel mine. Given the recent improvement in the nickel price and forward forecasts, the Company is evaluating opportunities to unlock value from the Abednegno Hill Project, either by implementation of exploration programs, and/or seeking JV opportunities to advance the Project.

EVENTS SUBSEQUENT TO REPORTING DATE

On 1 January 2022, Mr. Robert Gregory commenced his role as Managing Director and Mr. Jonathan Colville was appointed as a Non-Executive Director effective from 19 January 2022.

On 7 February 2022, it was announced that the consolidated entity's Namibian subsidiary, Opuwo Cobalt Mining Pty Ltd has engaged Stewardship Drilling Pty Ltd ("Stewardship") as Drilling Contractor for Opuwo. As compensation for their services, 10,417,500 fully paid ordinary shares were proposed to be issued in lieu of cash payment under the Stewardship Agreement.

On 4 March 2022, it was announced that firm commitments were received from sophisticated investors for a heavily supported $3.4 million placement. 167,487,687 fully paid ordinary shares at an issue price of $0.0203 per share with one free attaching option for each two shares issued. 83,743,842 options at an exercise price of $0.04, expiring two years from issue are intended to be listed on the ASX. EverBlu Capital Pty Ltd ("EverBlu") acted as Lead manager to the Placement. EverBlu will receive 6% of the gross proceeds raised from the issue of ordinary shares plus 66,995,074 options, subject to shareholder approval. On 10 March 2022, 167,487,687 fully paid ordinary shares were issued at an issue price of $0.0203.

Whilst exploration activities have been able to continue, the impact of the Coronavirus (COVID-19) pandemic is ongoing. It is not practical to estimate the potential impact, positive or negative, after the reporting date. The situation is continually developing and is dependent on measures imposed by Australian, Philippine and Namibian Governments, and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and economic stimulus that may be provided.

The Directors are not aware of any other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity the results of those operations, or the state of affairs of the consolidated entity in future financial years.

AUDITOR'S INDPENDENCE DECLARATION

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is included within this half-year financial report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001.*

On behalf of the directors

Robert Gregory
Managing Director
Dated this 15th day of March 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

CELSIUS RESOURCES

		Consolidated	
		31 December 2021 $	31 December 2020 $
Other income		22,386	60,205
Directors' and employee benefits expense		(425,646)	(107,700)
Legal and other professional fees		(198,628)	(366,120)
Travel and accommodation		(2,947)	-
Depreciation		(14,718)	-
Management fee		(254,152)	-
Finance costs		(42,686)	-
Share based payments	7	(222,645)	-
Exploration expenditure impairment	4	(733,475)	-
Other expenses		(1,266,573)	(131,485)
Foreign exchange loss		-	(94,391)
Loss before income tax		**(3,139,084)**	**(639,491)**
Income tax expense		-	-
Loss for the period		**(3,139,084)**	**(639,491)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		112,816	498,861
Total other comprehensive income		**112,816**	**498,861**
Total comprehensive loss for the period		**(3,026,268)**	**(140,630)**
Loss for the period attributable to:			
Non-controlling interests		(65,028)	(1,435)
Members of the parent		(3,074,056)	(638,056)
		(3,139,084)	**(639,491)**
Total comprehensive loss attributable to:			
Non-controlling interests		(69,129)	25,012
Members of the parent		(2,957,139)	(165,642)
		(3,026,268)	**(140,630)**
Loss per share:		**Cents**	**Cents**
Basic loss per share		(0.29)	(0.08)
Diluted loss per share		(0.29)	(0.08)

The accompanying notes form part of this interim financial report.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	Consolidated 31 December 2021 $	30 June 2021 $
ASSETS			
Current assets			
Cash and cash equivalents	3	2,049,785	6,484,053
Trade and other receivables		201,990	198,948
Other assets		45,787	236,172
Total current assets		**2,297,562**	**6,919,173**
Non-current assets			
Deferred exploration expenditure	4	24,646,372	24,324,124
Property, plant and equipment		197,320	126,894
Total non-current assets		**24,843,692**	**24,451,018**
Total assets		**27,141,254**	**31,370,191**
LIABILITIES			
Current liabilities			
Trade and other payables		291,431	241,193
Other liabilities	5	1,401,976	1,414,179
Total current liabilities		**1,693,407**	**1,655,372**
Non-current liabilities			
Other non-current liabilities	5	-	1,461,712
Total non-current liabilities		**-**	**1,461,712**
Total liabilities		**1,693,407**	**3,117,084**
Net assets		**25,447,847**	**28,253,107**
EQUITY			
Issued capital	6	62,165,549	61,984,186
Reserves	7	1,273,868	1,117,306
Accumulated losses		(37,997,445)	(34,923,389)
Equity attributable to the owners of Celsius Resources Limited		25,441,972	28,178,103
Non-controlling interest		5,875	75,004
Total equity		**25,447,847**	**28,253,107**

The accompanying notes form part of this interim financial report.

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

CELSIUS RESOURCES

Consolidated	Issued capital	Accumulated losses	Share based payments reserve	Foreign currency translation reserve	Non-controlling interest	Total
	$	$	$	$	$	$
Balance at 1 July 2020	55,067,568	(34,612,679)	886,923	(1,721,661)	26,363	19,646,514
Loss for the period	-	(638,056)	-	-	(1,435)	(639,491)
Other comprehensive income	-	-	-	472,414	26,447	498,861
Total comprehensive loss for the period	**-**	**(638,056)**	**-**	**472,414**	**25,012**	**(140,630)**
Transactions with owners, directly in equity						
Expiry of options	-	311,197	(311,197)	-	-	-
Balance at 31 December 2020	**55,067,568**	**(34,939,538)**	**575,726**	**(1,249,247)**	**51,375**	**19,505,884**
Balance at 1 July 2021	61,984,186	(34,923,389)	1,850,000	(732,694)	75,004	28,253,107
Loss for the period	-	(3,074,056)	-	-	(65,028)	(3,139,084)
Other comprehensive income	-	-	-	116,917	(4,101)	112,816
Total comprehensive loss for the period	**-**	**(3,074,056)**	**-**	**116,917**	**(69,129)**	**(3,026,268)**
Transactions with owners, directly in equity						
Issue of share capital	-	-	-	-	-	-
Capital raising costs	(1,637)	-	-	-	-	(1,637)
Performance rights converted	183,000	-	(183,000)	-	-	-
Share based payments	-	-	222,645	-	-	222,645
Balance at 31 December 2021	**62,165,549**	**(37,997,445)**	**1,889,645**	**(615,777)**	**5,875**	**25,447,847**

The accompanying notes form part of this interim financial report.

STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

CELSIUS RESOURCES

	Consolidated	
	31 December 2021 $	31 December 2020 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(2,219,392)	(647,343)
Interest received	2,386	14,587
Interest paid	(41)	-
Other receipts	20,000	49,771
Net cash outflow from operating activities	**(2,197,047)**	**(582,985)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(85,144)	-
Payments for exploration and evaluation	(629,646)	(367,525)
Loan to other entities	-	(1,754,785)
Cash paid for acquisition of subsidiary (Note 5)	(1,516,601)	-
Net cash outflow from investing activities	**(2,231,391)**	**(2,122,310)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issue	-	-
Share issue costs	(1,637)	(3,141)
Net cash outflow from financing activities	**(1,637)**	**(3,141)**
Net decrease in cash held	(4,430,075)	(2,708,436)
Effect of exchange rate changes on the balance of cash held in foreign currencies	(4,193)	656
Cash at the beginning of the financial period	6,484,053	5,674,226
Cash at the end of the financial period	**2,049,785**	**2,966,446**

The accompanying notes form part of this interim financial report.

1. BASIS OF PREPARATION

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Accounting Standard 34 'Interim Financial Reporting'.

The half-year financial report does not include full disclosures of the type normally included in an annual financial report. It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2021 and any public announcements made by Celsius Resources Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted in the annual financial report for the year ended 30 June 2021.

Critical accounting judgements, estimates and assumptions

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the consolidated entity.

There have been no judgements, apart from those involving estimation, in applying accounting policies that have a significant effect on the amounts recognised in these financial statements.

Following is a summary of the key assumptions concerning the future and other key sources of estimation at reporting date that have not been disclosed elsewhere in these financial statements.

Exploration and evaluation expenditure

Exploration and evaluation costs have been capitalised on the basis that activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised.

Share based payment transactions

The consolidated entity measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using an appropriate valuation model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

1. BASIS OF PREPARATION (CONTINUED)

New and Revised Accounting Standards and Interpretations

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

2. SEGMENT INFORMATION

The consolidated entity operates within two geographical segments within mineral exploration and extraction being Australia, Namibia and Philippines. The segment information provided to the chief operating decision maker is as follows:

Six months ended 31 December 2021	**Exploration activities AUSTRALIA $**	**Exploration activities NAMIBIA $**	**Exploration activities PHILIPPINES $**	**Consolidated $**
Segment income	22,126	-	260	22,386
Total income				**22,386**
Segment result before income tax	(913,538)	(1,300,846)	(924,700)	(3,139,084)
Loss before income tax				**(3,139,084)**
At 31 December 2021				
Segment assets	5,855,145	13,838,433	7,447,676	27,141,254
Total assets				**27,141,254**
Segment liabilities	153,133	1,828	1,538,446	1,693,407
Total liabilities				**1,693,407**

Six months ended 31 December 2020	**Exploration activities AUSTRALIA $**	**Exploration activities NAMIBIA $**	**Exploration activities PHILIPPINES $**	**Consolidated $**
Segment income	60,205	-	-	60,205
Total income				**60,205**
Segment result before income tax	(610,797)	(28,694)	-	(639,491)
Loss before income tax				**(639,491)**
At 30 June 2021				
Segment assets	10,024,538	15,274,511	6,071,142	31,370,191
Total assets				**31,370,191**
Segment liabilities	206,297	22,251	2,888,536	3,117,084
Total liabilities				**3,117,084**

3. CASH AND CASH EQUIVALENTS

	Consolidated	
	Dec-21	Jun-21
	$	$
Cash at bank and on hand	2,049,785	6,484,053

4. DEFERRED EXPLORATION EXPENDITURE

	Consolidated	
	Dec-21	Jun-21
	$	$
Expenditure brought forward at the beginning of the period	24,324,124	14,337,088
Expenditure acquired	-	7,565,659
Expenditure incurred	1,832,393	1,359,380
Expenditure disposed	-	(14,983)
Expenditure impaired[1]	(733,475)	-
Foreign exchange movements	(776,670)	1,076,980
Expenditure carried forward at the end of the period	**24,646,372**	**24,324,124**

The ultimate recoupment of costs carried forward for exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective areas.

[1] In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources an indication of impairment may exist if the right to explore in the specific area has expired during the period and is not expected to be renewed. EPL 4351 associated with the Opuwo Project was not renewed subsequent to 31 December 2021. The Directors resolved to impair $733,475 of the expenditure capitalised in relation to EPL 4351 for the period ended 31 December 2021.

5. OTHER LIABILITIES

	Consolidated	
	Dec-21	Jun-21
	$	$
Current		
Deferred consideration payable (i)	1,401,976	1,414,179
Non-current		
Deferred consideration payable (i)	-	1,461,712
	1,401,976	**2,875,891**

(i) The consolidated entity, through its wholly owned subsidiary, Anleck Limited, has a deferred consideration payable associated with Anleck Limited acquiring 100% of the issued capital of Makilala Holdings Limited (an entity incorporated in the British Virgin Islands (MHL)) in September 2020. The first deferred payment $1,467,915 was paid on 19 November 2021, which is 1 calendar year after the EP release date. The second deferred payment $1,401,976 is due on 19 November 2022, which is 2 calendar years after the EP release date.

6. ISSUED CAPITAL

	Consolidated			
	Dec-21	Jun-21	Dec-21	Jun-21
	Shares	Shares	$	$
Ordinary shares – fully paid	1,053,978,081	1,047,228,081	62,165,549	61,984,186

6. ISSUED CAPITAL (continued)

a) Ordinary shares

Details	Date	Dec-2021 No. of shares	Issue price $	Dec-2021 $
Balance at 1 July 2021		1,047,228,081		61,984,186
Shares issued on conversion of Milestone 1 PRs	3 Dec 2021	6,750,000	-	183,000
Capital raising costs		-	-	(1,637)
Balance at 31 December 2021		**1,053,978,081**		**62,165,549**

7. RESERVES

	Consolidated Dec-2021 $	Consolidated Jun-21 $
Share based payment reserve	1,889,645	1,850,000
Foreign currency translation reserve	(615,777)	(732,694)
	1,273,868	**1,117,306**
Movements		
Share based payment reserve		
Balance at the beginning of the period	1,850,000	886,923
Expiry of options	-	(886,923)
Issue of options	-	1,850,000
Issue of performance rights[1]	222,645	-
Transfer to issued capital	(183,000)	-
Balance at the end of the period	**1,889,645**	**1,850,000**

[1]Performance rights

During the period, the consolidated entity granted 25,150,000 performance rights, with a total fair value of $606,586. This figure represents the fair value at grant date before considering the best available estimates of the number of performance rights with non-market based vesting conditions that are expected to vest.

After taking into account the probabilities of vesting criteria being met and the expected vesting date, the value expensed in relation to these performance rights during the period was $222,645 with the remaining fair value amount to be expensed based on the vesting conditions over the vesting period. The expense realised in respect to the performance rights is intended to reflect the best available estimate of the number of performance rights expected to vest.

7. RESERVES (continued)

[1]Performance rights (continued)

The following performance rights issued during the period were valued using a Hoadleys Hybrid ESO5 pricing model with the valuation model inputs used to determine the fair value at grant date as follows:

Grant date	Expiry date	Share price at grant date $	Expected volatility %	Dividend Yield %	Number of PRs #	Value per PR $	Total Value $	Probability* %	Expense during the period $	Vesting date note
18/11/2021	17/03/2022	0.029	100	-	2,500,000	0.0011	2,686	-	-	2

The following performance rights issue during the period were valued based on the share price at grant date as they did not have market-based vesting conditions:

Grant date	Expiry date	Share price at grant date $	Number of PRs #	Value per PR $	Total Value $	Probability* %	Expense during the period $	Vesting date note
26/08/2021	26/08/2031	0.026	4,250,000	0.026	110,500	100	110,500	4
26/08/2021	26/08/2031	0.026	3,600,000	0.026	93,600	10	2,421	5
26/08/2021	26/08/2031	0.026	5,400,000	0.026	140,400	90	35,192	6
26/08/2021	26/08/2031	0.026	4,400,000	0.026	114,400	10	2,032	7
18/11/2021	17/03/2022	0.029	2,500,000	0.029	72,500	100	72,500	1
18/11/2021	17/03/2022	0.029	2,500,000	0.029	72,500	-	-	3

* The probability estimated by management is over the expiry date of the performance rights

Director vesting conditions:

1. On completion of a positive Scoping Study in relation to its MCB Project and a successful capital or equity raise both within 12 months from the Director's commencement date (Milestone 1); and
2. When the Company's share price, as quoted on the ASX, achieves a 20-day consecutive VWAP of $0.11 per share, within 12 months from the Director's commencement date (Milestone 2); and
3. On completion of a Definitive Feasibility Study, as defined under the JORC Code, at its MCB Project, within 3 years from the Director's commencement date (Milestone 3).

Management vesting conditions:

4. On completion of an economically viable Scoping Study Report for the MCB Project by 29 January 2022 (Milestone 1); and
5. On completion of an economically viable Scoping Study Report for the Sagay Project by 30 December 2022 (Milestone 2); and
6. On the declaration of Mining Project Feasibility ("DMPF") for the MCB Project by 25 November 2022 (Milestone 3); and
7. On the declaration of Mining Project Feasibility ("DMPF") for the Sagay Project by 11 August 2023 (Milestone 4).

The vesting of all performance rights granted is also conditional upon the holder's continued employment with the consolidated entity.

7. RESERVES (continued)

[1]Performance rights (continued)

On 1 December, it was announced that a positive Scoping Study for its MCB Project was completed, being the achievement of Milestone 1 vesting condition. On 3 December 2021, 6,750,000 fully paid ordinary shares were issued on conversion of performance rights and $183,000 was transferred from the share based payment reserve to issued capital. On 15 December 2021, 5,000,000 performance rights lapsed due to the resignation of Mr. Blair Sergeant as Executive Director – Corporate.

Performance rights outstanding at reporting date:

	Number
Balance at the beginning of the period	-
Performance rights issued	25,150,000
Performance rights converted	(6,750,000)
Performance rights lapsed	(5,000,000)
Balance at the end of the period	**13,400,000**

Options

No options were issued during the period. As at 31 December 2021, 50,000,000 options were outstanding (30 June 2021: 50,000,000).

	Consolidated	
	Dec-2021	**Jun-21**
	$	**$**
Foreign currency translation reserve		
Balance at the beginning of the period	(732,694)	(1,721,661)
Translation of foreign entities	116,917	988,967
Balance at the end of the period	**(615,777)**	**(732,694)**

8. EARNINGS PER SHARE

	Consolidated	
	Dec-2021	**Dec-2020**
	$	**$**
Loss after income tax	(3,074,056)	(638,056)
	Number	
Weighted average number of ordinary shares used in calculating basic earnings per share	1,048,291,940	780,218,081
Basic and diluted loss per share (cents)	(0.29)	(0.08)

9. CONTINGENT LIABILITIES

The consolidated entity had no contingent liabilities as at 31 December 2021 and 30 June 2021.

10. DIVIDENDS

No dividends have been paid or provided for during the half-year (31 December 2020: nil).

11. EVENTS SUBSEQUENT TO REPORTING DATE

On 1 January 2022, Mr. Robert Gregory commenced his role as Managing Director and Mr. Jonathan Colville was appointed as a Non-Executive Director effective from 19 January 2022.

On 7 February 2022, it was announced that the consolidated entity's Namibian subsidiary, Opuwo Cobalt Mining Pty Ltd has engaged Stewardship Drilling Pty Ltd ("Stewardship") as Drilling Contractor for Opuwo. As compensation for their services, 10,417,500 fully paid ordinary shares were proposed to be issued in lieu of cash payment under the Stewardship Agreement.

On 4 March 2022, it was announced that firm commitments were received from sophisticated investors for a heavily supported $3.4 million placement. 167,487,687 fully paid ordinary shares at an issue price of $0.0203 per share with one free attaching option for each two shares issued. 83,743,842 options at an exercise price of $0.04, expiring two years from issue are intended to be listed on the ASX. EverBlu Capital Pty Ltd ("EverBlu") acted as Lead manager to the Placement. EverBlu will receive 6% of the gross proceeds raised from the issue of ordinary shares plus 66,995,074 options, subject to shareholder approval. On 10 March 2022, 167,487,687 fully paid ordinary shares were issued at an issue price of $0.0203.

Whilst exploration activities have been able to continue, the impact of the Coronavirus (COVID-19) pandemic is ongoing. It is not practical to estimate the potential impact, positive or negative, after the reporting date. The situation is continually developing and is dependent on measures imposed by Australian, Philippine and Namibian Governments, and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and economic stimulus that may be provided.

The Directors are not aware of any other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity the results of those operations, or the state of affairs of the consolidated entity in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors made pursuant to s303(5)(a) of the *Corporations Act 2001.*

On behalf of the directors

Robert Gregory
Managing Director
Dated this 15th day of March 2022

RSM Australia Partners

Level 32, Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Celsius Resources Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

RSM

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 15 March 2022

TUTU PHONG
Partner

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

RSM Australia Partners

Level 32, Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111

www.rsm.com.au

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF CELSIUS RESOURCES LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Celsius Resources Limited which comprises the consolidated statement of financial position as at 31 December 2021, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Celsius Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Celsius Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Celsius Resources Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

RSM

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 15 March 2022

TUTU PHONG
Partner